

Message Text

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ACTION EB-08

INFO OCT-01 ARA-10 EUR-12 EA-10 NEA-10 IO-13 ISO-00

L-03 FRB-03 OMB-01 ITC-01 SP-02 USIA-06 AGRE-00

AID-05 CIAE-00 COME-00 INR-07 LAB-04 NSAE-00

OIC-02 SIL-01 STR-05 TRSE-00 CEA-01 SS-15 /120 W

-----025130 020305Z /64

R 011642Z DEC 77

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 0865

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION GENEVA

AMEMBASSY OTTAWA

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PASS AGRICULTURE ELECTRONICALLY FOR SAYLOR/FAS

ALSO FOR USEEC AND USMTN

E.O. 11652: N/A

TAGS: EAGR

SUBJECT: 81ST SESSION OF THE INTERNATIONAL WHEAT

COUNCIL, LONDON, NOV. 29 - NOV. 30, 1977

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SUMMARY: THE REGULARLY SCHEDULED SEMI-ANNUAL SESSION OF THE IWC WAS HELD TUESDAY AND WEDNESDAY. THE CHAIRMAN, POLEZHAEV, (USSR), MOVED THE COUNCIL BRISKLY THROUGH ROUTINE BUSINESS AND REPORTING ITEMS OF THE AGENDA AND CLOSED OUT THE COUNCIL SESSION A FULL DAY AHEAD OF SCHEDULE. MAIN DIFFICULTY ENCOUNTERED BY COUNCIL LAY IN SCHEDULING FUTURE PROGRAM OF WORK. COUNCIL AGREED TO

CONVENE SPECIAL SESSION, JAN. 10 - JAN. 11, 1978, TO CONSIDER IF SUFFICIENT PROGRESS HAD BEEN MADE IN PREPARATORY GROUPS AND DRAFTING SESSION (DEC. 5 - DEC. 9) AND BILATERALLY, TO CONVENE A NEGOTIATING CONFERENCE. DIFFICULTY LAY IN SCHEDULING SUCH CONFERENCE IF SO DECIDED BY COUNCIL. UNCTAD PROCEDURES NORMALLY WOULD PRECLUDE CONVENEING A CONFERENCE PRIOR FEB. 27, 1978, AND THERE WAS A QUESTION AS TO AVAILABILITY OF FACILITIES BEYOND MAR. 23, A PERIOD OF THREE AND A HALF WEEKS. CLEAR VIEW OF COUNCIL THAT THIS PERIOD WAS NOT, IN ALL PROBABILITY, SUFFICIENT TO RESOLVE COMPLEX DIFFERENCE OF TO EXPLORE WHAT COULD BE ARRANGED FOR POSSIBLE NEGOTIATING CONFERENCE OF FIVE - SIX WEEKS DURATION BUT MATTER REMAINED UNRESOLVED AT CLOSE OF COUNCIL SESSION. HOWEVER, U.S. DEL INFORMED BY EXEC SEC MORNING OF DEC. 1, THAT UNCTAD OFFICIALS, RECOGNIZING THE IMPORTANCE OF A POTENTIAL NEGOTIATING CONFERENCE OF ADEQUATE LENGTH, PREPARED TO RUSH PROCEDURES TO COMPLETION SUBSEQUENT TO COUNCIL DECISION JAN. 10 - 11 AND THUS MAKE POSSIBLE REVERSION TO INITIALLY ENVISAGED NEGOTIATING CONFERENCE SCHEDULE OF FEB. 13 - MAR. 23, 1978. ONLY OTHER MATTER OF SOME INTEREST AND CONTROVERSY WAS USSR OBJECTIONS TO INCLUSION IN ANNUAL REPORT OF COUNCIL REFERENCES TO DECISIONS, RESOLUTIONS, OR PROGRESS REPORTS OF CERTAIN INTERNATIONAL ORGANIZATIONS. THIS ISSUE RESOLVED BY DELETION MATERIAL FROM MAIN BODY OF REPORT AND ITS LIMITED OFFICIAL USE

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ANNEXATION TO REPORT.
END SUMMARY

1. AT HEADS OF DELEGATION DINNER NOV. 28, EXEC SEC OPENED INFORMAL DISCUSSION BY STATING IT WOULD BE NECESSARY TO CONVENE POTENTIAL NEGOTIATING CONFERENCE FEB. 27 BECAUSE UNCTAD PROCEDURES, I.E., EXTENTION OF INVITATIONS, DISTRIBUTION OF DOCUMENTATION, ETC., REQUIRED SIX WEEKS FROM TIME OF SPECIAL SESSION DECISION JAN. 10 - 11. ALSO INDICATED DOUBTFUL PROSPECT OF AVAILABILITY OF UNCTAD FACILITIES BEYOND MAR. 23 DUE TO SCHEDULING OF OTHER INTERNATIONAL CONFERENCES. FROM THIS POINT, DISCUSSION CENTERED AROUND TWO POSSIBILITIES, A) CONCLUSION OF A NEGOTIATING CONFERENCE IN THREE AND A HALF WEEKS, AND/OR B) AN INITIAL NEGOTIATING FEB. 27 - MAR. 23 TO BE FOLLOWED BY A SECOND NEGOTIATING SESSION LATER IN THE YEAR. U.S. DEL INDICATED STRONG OPPOSITION LATTER POSSIBILITY AND WAS GENERALLY SUPPORTED BY OTHER EXPORTERS. WHEN MATTER BROACHED FOR DISCUSSION AT FORMAL COUNCIL SESSION NEXT DAY, AGENDA ITEM 11(B) FUTURE ACTION, THERE WAS LITTLE OR NO SUPPORT FROM ANY SOURCE FOR A TWO STAGE NEGOTIATING SESSION. U.S. DEL

MADE STRONG STATEMENT ADVOCATING SINGLE NEGOTIATING
CONFERENCE SESSION OF SUFFICIENT LENGTH TO BRING MATTERS
TO A CONCLUSION. EXPRESSED DOUBT THAT THREE AND A HALF
WEEKS SUFFICIENT AND URGED EXPLORATION OF POSSIBILITIES

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-----026667 020306Z /64

R 011642Z DEC 77
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FOR MAINTAINING ORIGINALLY ENVISAGED FIVE TO SIX WEEK
NEGOTIATING CONFERENCE IF COUNCIL DECIDED UPON ITS
CONVOCATION.

2. UPSHOT DELIBERATIONS THIS MATTER WAS COUNCIL REQUEST

TO EXEC SEC, TO FURTHER EXPLORE WITH UNCTAD POSSIBILITY
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OF SINGLE NEGOTIATING CONFERENCE SESSION OF APPROXIMATELY SIX WEEKS. UNCTAD OBSERVER, PIKE, MOST HELPFUL IN VOLUNTEERING TO WORK WITH EXEC SEC IN ATTEMPT TO RESOLVE THIS ISSUE.

3. AT CLOSE OF COUNCIL, EXEC SEC NOTED THAT THIS PROBLEM NOT YET RESOLVED AND INDICATED HE WOULD BE IN FURTHER TOUCH WITH GOVERNMENTS TO REPORT DEVELOPMENTS.

4. ON MORNING AFTER IWC CONCLUDED, EXEC SEC CALLED USDEL, AND PRESUMEDLY OTHERS, STATING THE MATTER HAD BEEN RESOLVED SATISFACTORILY. DUE SCHEDULING OTHER INTERNATIONAL CONFERENCES, UNCTAD FACILITIES NOT AVAILABLE AFTER MARCH 23 BUT UNCTAD OFFICIALS, RECOGNIZING IMPORTANCE OF POSSIBLE NEGOTIATING CONFERENCE, HAD INDICATED WILLINGNESS TO CONDENSE ARRANGEMENT EFFORTS TO FOUR WEEK PERIOD. THUS, SHOULD SPECIAL SESSION IWC DECIDE TO CONVENE NEGOTIATING CONFERENCE, CONFERENCE COULD BE HELD FEB. 13 - MAR. 23.

6. ONLY OTHER MATTER OF MUCH INTEREST OR CONTROVERSY IN COUNCIL SESSION OCCURRED WHEN SOV DEL STRONGLY OBJECTED TO INCLUSION IN ANNUAL REPORT OF COUNCIL, REFERENCES TO DECISIONS, RESOLUTIONS OR PROGRESS REPORTS OF CERTAIN INTERNATIONAL ORGANIZATIONS, I.E., WFC, UNCTAD, CIEC, GATT AND MTN. SOV DEL ARGUED DEVELOPMENTS OR DECISIONS IN THESE FORA SHOULD NOT APPEAR IN COUNCIL APPROVED IWC ANNUAL REPORT BECAUSE OF IMPLICATION THAT COUNCIL APPROVED THESE VARIOUS MATTERS. SEVERAL DELEGATIONS, EC, US, AUSTRALIA, SWEDEN, SAW UTILITY OF HAVING RECORD THESE MATTERS BECAUSE OF IMPLICATIONS THEREIN FOR WORK OF COUNCIL. MATTER WAS RESOLVED BY REMOVING MATERIAL FROM MAIN BODY OF ANNUAL COUNCIL REPORT AND ANNEXING IT
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TO THE REPORT.

7. EXEC SEC PRESENTED A REPORT ON THE WORK OF THE PREPARATORY GROUP. ON THE WHEAT TRADE CONVENTION, HE NOTED THAT THERE IS CONSENSUS ON GENERAL OBJECTIVES, INCLUDING MODERATION OF EXTREME PRICE FLUCTUATIONS. THERE IS ALSO CONSENSUS THAT THE CONVENTION SHOULD INCLUDE AN INTERNATIONAL SYSTEM OF NATIONALLY-HELD

RESERVE STOCKS, A BASKET PRICE INDICATOR SCALE WHICH WOULD BE USED TO TRIGGER CONSULTATIONS AND RESERVE STOCK ACTIONS, AND ADDITIONAL MEASURES IF RESERVE STOCK ACTIONS WERE UNABLE TO ARREST PRICE MOVEMENTS. HE REPORTED THAT THERE ARE TWO MAJOR DIFFERENCES IN VIEWS. FIRST, THERE IS DISAGREEMENT ON WHETHER OR NOT TO INCLUDE COARSE GRAINS IN THE AGREEMENT. SECOND, THERE IS DISAGREEMENT ON THE ADDITIONAL MEASURES TO BE TAKEN AT THE PRICE EXTREMES. SOME COUNTRIES FAVOR REGULATORY MINIMUM AND MAXIMUM PRICES AND RELATED RIGHTS AND OBLIGATIONS, WHILE OTHERS FAVOR JOINT MEASURES ON UTILIZATION ADJUSTMENT, ADDITIONAL STOCK ACTION, AND/OR PRODUCTION ADJUSTMENTS. ON THE FOOD AID CONVENTION, THERE IS CONSENSUS ON THE NEED FOR A NEW CONVENTION AND FOR EXPANDED MEMBERSHIP, BUT THERE IS NOT AGREEMENT ON THE 10 MILLION TON TARGET. EXEC SEC REPORT COVERED MANY OF THE MORE DETAILED ISSUES CONSIDERED BY THE PREPARATORY GROUP, AND IT WAS REGARDED BY ALL DELEGATIONS AS A VERY CLEAR, ACCURATE, AND USEFUL SUMMARY.

8. THE COUNCIL CONSIDERED SEVERAL ITEMS OF ROUTINE BUSINESS. EXTENSION OF TIME TO JUNE 30, 1978 FOR DEPOSITING INSTRUMENTS OF RATIFICATION OF 1975 AND 1976 PROTOCOLS EXTENDING WHEAT TRADE CONVENTION 1971 WERE GRANTED AS FOLLOWS: FOR THE 1975 PROTOCOL, ALGERIA, COSTA RICA, EEC AND THE MEMBER STATES OF ITALY AND THE NETHERLANDS, IRAN, AND VENEZUELA; FOR THE 1976 PROTOCOL, ARGENTINA, BOLIVIA, COSTA RICA, EEC AND THE MEMBER STATES LIMITED OFFICIAL USE

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OF ITALY AND THE NETHERLANDS, IRAN, BRAZIL, AND TURKEY. THE REPORT FOR THE EXECUTIVE COMMITTEE NOTED A MINOR ADJUSTMENT OF SALARY SCALES FOR THE GENERAL SERVICE STAFF, EXPLORATION OF POSSIBLE ALTERNATIVE OFFICE ACCOMMODATIONS, AND THE WORK OF THE ADVISORY SUB-COMMITTEE ON MARKET CONDITIONS. THE COUNCIL MADE AN APPEAL FOR PROMPT PAYMENT OF UNPAID CONTRIBUTIONS BY MEMBER GOVERNMENTS. THE FINANCIAL ACCOUNTS OF THE SECRETARIAT WERE REVIEWED AND APPROVED. CONSIDERABLE TIME WAS DEVOTED TO A REVIEW OF DRAFT SECRETARIAT DOCUMENTS ON THE

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WORLD WHEAT SITUATION AND OUTLOOK. STATEMENTS WERE MADE
BY REPRESENTATIVES FROM FAO, GATT, UNCTAD, AND THE WORLD
FOOD COUNCIL, AND THE WORLD FOOD PROGRAM. FAO NOTED THAT
THE COMMITTEE ON WORLD FOOD SECURITY IS SCHEDULED TO MEET
IN LATE MARCH BUT THAT SCHEDULE MIGHT BE REVISED IN ORDER
TO FOLLOW THE POSSIBLE NEGOTIATING CONFERENCE. GATT
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REPORTED THAT THE SUB-GROUP ON GRAINS HAD AGREED THAT IT
WOULD DECIDE WHETHER OR NOT TO CONVENE A MEETING IN LIGHT
OF DEVELOPMENTS IN THE IWC. UNCTAD REPORTED ON THE
COMMON FUND NEGOTIATIONS, POINTING OUT THAT THERE IS NOT
YET AGREEMENT ON WHETHER OR NOT THE COMMON FUND COULD BE
USED TO FINANCE NATIONALLY-HELD, INTERNATIONAL-COORDINA-
TED BUFFER STOCKS. WFC REFERRED TO THE MANILA COMMUN-

IQUE OF JUNE 1977 AND STATED THAT THE IWC HAS THE RESPONSIBILITY TO NEGOTIATE A SYSTEM OF WORLD FOOD SECURITY. WFC OFFERED TO ASSIST POLITICALLY AND TECHNICALLY IN THIS EFFORT. THE WORLD FOOD PROGRAM NOTED THAT THE COMMITTEE ON FOOD AID HAD INITIATED A STUDY ON THE ADEQUACY OF THE 10 MILLION TON FOOD AID TARGET SET BY THE WORLD FOOD CONFERENCE OF 1974.

GATIONS EMPHASIZED THE IMPORTANCE OF THE DRAFTING GROUP WHICH WILL CONVENE DECEMBER 5. THE EC STATED THAT MEMBERS OF THE DRAFTING GROUP SHOULD PARTICIPATE AT THE POLITICAL AND TECHNICAL LEVEL AND EXPRESSED THE HOPE THAT THE MAJOR DIFFERENCES COULD BE RESOLVED BY THAT GROUP. CANADA STATED THAT IT IS UNREALISTIC TO EXPECT THE GROUP TO RESOLVE MAJOR DIFFERENCES.

10. AS USUAL, IN THE CREDENTIALS COMMITTEE, THE DELEGATE FOR THE ARAB REPUBLIC OF EGYPT STATED ON ITS BEHALF AND THE BEHALF OF OTHER ARAB AND AFRICAN MEMBERS THAT THE CREDENTIALS OF THE DELEGATION OF SO. AFRICA SHOULD NOT BE RECOGNIZED SINCE THAT GOVERNMENT DOES NOT REPRESENT THE PEOPLE OF THE COUNTRY. THE DELEGATE OF THE SOVIET UNION AND PAKISTAN SUPPORTED THIS STATEMENT IN THE CREDENTIALS COMMITTEE AND CUBA ASSOCIATED ITSELF WITH THE STATEMENT AT THE TIME THE COUNCIL RECEIVED THE CREDENTIALS COMMITTEE REPORT. ALSO, AS USUAL, THE SO. AFRICAN DELEGATE SUBMITTED A NOTE OF REFUTATION TO THE LIMITED OFFICIAL USE

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CREDENTIALS COMMITTEE AND REAFFIRMED THIS REFUTATION IN COUNCIL IN RESPONSE TO THE STATEMENT OF CUBA.

11. TIME AND PLACE OF NEXT SESSION OF COUNCIL WAS RESOLVED IN THE CALLING OF A SPECIAL SESSION OF THE COUNCIL JAN. 10 - 11 IN LONDON.

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Message Attributes

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